

~~CONFIDENTIAL~~DD/A 75-3917
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Executive Registry

75-7462/1

19 AUG 1975

MEMORANDUM FOR: Director of Central Intelligence
THROUGH : Deputy Director for Administration
SUBJECT : Allegations Relative to Certain Administrative Practices
in the Central Intelligence Agency
REFERENCE : Memo to DCI from C/PMCD/OP dtd 15 Jul 75; Subject:
Administrative Practices in the CIA

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1. We have reviewed the referent memorandum prepared by [REDACTED] and have prepared comments (Tab A) on the substance of [REDACTED] statements leading to his concluding allegations that:

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a. The grade structure of the Central Intelligence Agency is excessively high in comparison to levels existing elsewhere in the government for comparable work, contrary to the principle of equal pay for substantially equal work included in the U. S. Code Title 5, Section 5101;

b. The overtime and premium pay regulations and practices of the Agency are contrary to the requirements of Title 5 of the U. S. Code, Section 5541 to 5545;

c. The independent contracting system in CIA is a violation of the law in that the practice this Agency follows is inconsistent with that followed in other agencies and inconsistent with the duties of many such independent contractors.

2. General Comments:

a. [REDACTED] has served his entire Agency career of 22 years with the Position Management and Classification element of the Office of Personnel. He was appointed as Chief of the Position Management and Compensation Division on 29 September 1967 and served in that assignment until 3 August 1975, when he was reassigned. In this capacity he has been regarded as a man of integrity and an "expert" in the technical aspects of position classification, confident of the validity of his judgments and frank in expressing his opinions.

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During his tenure as Chief, PMCD, [REDACTED] conducted position classification audits and approved changes in grade levels of positions based upon his own judgment and those of the position classification officers under his supervision. When his judgments on grade determinations are appealed by Heads of Operating Components, these issues are referred to the Director of Personnel for final adjudication based on a full review of PMCD's findings against the evidence put forward by the operating officials concerned. Such appeals are relatively infrequent when compared to the [REDACTED] or so positions that are reviewed by PMCD classifiers each year. For the past eight years, the Agency position structure and grade levels, therefore, essentially have been based upon the recommendations of the position classifiers assigned to PMCD, with final approval by [REDACTED] as Chief, PMCD -- a fact which makes his present allegations all the more puzzling.

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The role of the Chief, PMCD and the position classifiers is not an easy or popular one in terms of fulfilling their responsibility to adhere to objective criteria, to reduce or at least maintain Agency position grade averages and control escalation of the number of GS-14 and above positions. Operating component managers with whom PMCD classifiers deal have strong convictions regarding the importance of their functions, the quality of their workforce and, not unexpectedly, press for position grade levels which they believe are appropriate to recognize duties performed.

Position classification is less a science than an art in terms of the review and analysis of substantive facts, subjective interpretation of information developed in discussion, negotiation with operating officials, and final determination based upon all the facts and information available in the very real context of maintaining a quality workforce to fulfill the requirements and responsibilities of the Agency. Moreover, Agency management has long recognized that position classification in CIA must take into consideration certain characteristics of Agency employment, stated in [REDACTED] apparently has had difficulty in accepting these basic concepts of Agency employment as he does in accepting the competitive evaluation and promotion system -- a key ingredient of the Agency's personnel management system.

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b. In his memorandum [REDACTED] has presented three conclusions of what he construes as improper administrative practices, but in the substance of his memorandum he has not provided supportive evidence, comparative statistics nor analyses to substantiate most of his allegations.

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c. We have reviewed his various statements and have presented our comments on the specific sub-paragraphs contained in his memorandum as related to each of his allegations.

3. Based upon our review of data available, we conclude that:

a. The evidence does not substantiate the allegation that the grade structure of the CIA is excessively high in comparison to levels existing elsewhere in government for comparable work;

b. Agency policy regarding non-compensation for overtime for certain employees GS-12 and above based upon authority contained in P. L. 110 is contrary to the requirements of Title 5 of the U. S. Code. While we continue to believe that this policy and practice is questionable, the Office of General Counsel apparently does not share our view.

c. In our opinion, the Office of Personnel, with the assistance of the Office of General Counsel, has over the years properly categorized an individual under contract as an employee or independent contractor. While honest mistakes may have been made, there is no evidence to indicate an abuse of the personal services contracting function.

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4. In the concluding paragraph of his memorandum, [REDACTED] recommends that a regulation be issued to make overtime rules consistent with the Federal law and to correct the present practices relating to independent contractors; that an investigation be directed of the grade structure of this Agency in comparison with other agencies and that corrective action be taken; and that except for unusual cases, promotions to and within upper-grade and supergrade levels be frozen until the validity of those levels has been established. Of these, we believe that action should be considered only on the matter of the Agency's overtime policy and practices.

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[REDACTED]
F. W. M. Janney ✓
Director of Personnel

Atts

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